

ORIGINAL



0000063502

1241 W. Calle De La Pasa
Sahuarita, Az. 85629
November 7, 2006
Phone (520) 625 - 3327

06

Shaunna Lee-Rice, Docket Control Administrator
Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: Las Quintas Serenas Water Co.
Decision No. **68718**
Docket No. **W-01583A-06-0437**

Cover Sheet -- Index

AZ CORP COMMISSION
DOCUMENT CONTROL

2006 NOV - 9 P 12:31

RECEIVED

Nov. 7, 2006 letter to Ms Lee-Rice

Ms Lee-Rice Nov. 2, 2006 letter to John Gay (Attachment X)

October 25, 2006 letter from John Gay to Nanisha Ross
(John Gay received back from Corp. Comm. Ms Lee-Rice on Nov. 4)

Nanisha Ross Oct. 4, 2006 letter to John Gay (Attachment A)

LQS Public Notice for Long-Term Debt (Attachment B)

LQS Revised Second Public Notice for Long-Term Debt (Attachment C)

John Gay October 6, 2006 letter to Corp. Comm. This was a Sept. 13, 2006 letter to Corp. Comm. but Nanisha Ross pointed out that it was unacceptable in her Oct. 4th letter, so I made changes and returned to the Corp. Comm. as this October 6, 2006 letter. (Attachment D)

Ms Ortiz letter to Donald Gill (Attachment E)

SAMPLE of Motion To Intervene received by several LQS Water customers
(Attachment F)

INTERVENTION Received by several LQS Water customers saying in two places "original and ten copies" and that "Motions to intervene should be filed at least 5 days before the hearing." (Attachment G)

John S. Gay

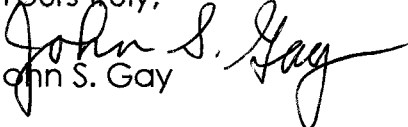
1241 W. Calle De La Plaza
Sahuarita, Az. 85629
November 7, 2006
Phone (520) 625 - 3327

Shaunna Lee-Rice, Docket Control Administrator
Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: Las Quintas Serenas Water Co.
Decision No. **68718**
Docket No. **W-01583A-06-0437**

Dear Ms Lee-Rice:

Thank you for your letter of November 2nd which I have included as Attachment X. I had assumed that since Nanisha Ross had sent me a letter (Attachment A) explaining what I had wrong, I could send her a letter to find out the status of myself and some of the other water company's customers with the Corporation Commission. In your letter to me you have placed an X on "The required number of copies" and in the boxed area near the top of your letter it says "Original document and 13 additional copies.....". I see by a recent copy to me of a letter by Lawrence Robertson on the subject he has included copies to others So I suppose it is best for me to do also, as I do not know to whom and how many copies I should send.

Yours truly,

John S. Gay

Original and thirteen copies to
Shaunna Lee-Rice of Docket Control, 1200 West Washington.

A copy by first class mail this same date to:

Hon. Jane L. Rodda, Hearing Division, Az. Corp. Comm. Suite 218,
400 West Congress, Tucson, Az. 85701

Christopher Kempley, Chief Counsel, Legal Division, 1200 W. Washington

November 7, 2006 Page 2

Street Phoenix, Az. 85007

Ernest Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Az. 85007

Las Quintas Serenas Water Co.
P.O. Box 68
Sahuarita, Az. 85629

Recd
11-4-06
JLH

Arizona Corporation Commission
Docket Control
1200 West Washington
Phoenix, Arizona 85007

Attachment X

Date: 11/02/2006

All filings must meet the following criteria:

- a. Original document and 13 additional copies Plus two per additional docket number
- b. 1 copy of a completed cover sheet (to accompany the original.)
- c. The assigned docket number listed on the cover sheet AND on the first page of the original document.

Enclosed are the documents you submitted for filing with Docket Control of the Arizona Corporation Commission.

Your filing is being returned because it does not have:

- ☒ The required number of copies.
- ☐ A completed cover sheet.
- ☐ The correct/assigned docket number written on the document.
- ☐ In accordance with Arizona Revised Statutes §39-101 *et seq.*, all documents filed are a matter of public record. Therefore, Docket Control cannot accept a filing that contains confidential materials. You may contact our Legal or Hearing Divisions to discuss procedures for submission of confidential material. Hearing: [602] 542-4250
Legal: [602] 542-3402.
- ☐ Other: _____

Thank you for your cooperation in this matter and we apologize for any inconvenience.

Docket Control (602) 542-3477

Shaunna Lee-Rice

Shaunna Lee-Rice, Docket Control Administrator (602)542-0464

1241 W. Calle De La Plaza
Sahuarita, Az.. 85629
October 25, 2006
Phone (520) 625 - 3327

Nanisha Ross, Docket Control Examiner
Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: Las Quintas Serenas Water Co.
Decision No. **68718**
Docket No. **W-01583A-06-0437**

Dear Ms Ross:

Thank you for your letter of October 4th which I have included as Attachment A.

This entire episode was started by the PUBLIC NOTICE we water customers received. A copy of what I received on Sept. 11, 2006 is included as Attachment B. In the second paragraph it states "must file a Motion to Intervene with the Commission....." This PUBLIC NOTICE does not give a Docket number to use in correspondence, or how and where to address one's letter to the Commission. I phoned the Commission and was told to address letters on this subject to the UTILITIES DIVISION at 1200 West Washington. Some of my friends and neighbors were also unhappy with this NOTICE to borrow \$400,714 for two items we thought were not needed and poorly located wrote letters to the Commission and addressed their letters to the UTILITIES DIVISION and used one, or more, of the DOCKET NUMBERS that were on the first page of Decision No. 68718. I was the cause for these letters incorrectly going to the Commission and I apologize for this mistake due to my ignorance.

Attachment C is a copy of REVISED SECOND PUBLIC NOTICE which I received on October 12th.

I phoned you Friday afternoon Oct. 6th and I understood you to say to use the three Docket Numbers W-01583A-04-0178

" 05-0326
" 05-0340 and not to use

October 25, 2006 Page 2

W-01583A-06-0437 because the paper work had not been completed yet. I then changed my September 13th letter (I forgot to change the top line on page 2) to October 6th and included under RE: these three Docket Numbers. Just above the RE: I wrote "Motion to intervene in what may become W-01583A-06-0437" A copy of this revised letter is included at Attachment D. On the phone you indicated I should mail to the Commission $13+2+2 = 17$ copies. On October 7th I mailed the original and 17 copies to the Commission and one copy to Las Quintas Serenas Water Co.

Attachment C which is the REVISED SECOND PUBLIC NOTICE arrived on October 12th and said, ".....all motions to intervene must be filed on or before October 31, 2006." and "..... should include the docket number W-01583A-06-0437." My first question is: Have I done what is necessary to become an intervenor, or must I do something more?

I believe that around September 21st thru the 28th Donald Gill, Jane Constatine, Edward & Margaret Valdez, Tommy & Jeanne Testerman, and Peter & Donna Martin all sent letters to become intervenors and most used the Docket No. W-01583A-05-0340. Attachment E is a copy of the letter Guadalupe Ortiz sent to Donald Gill and I notice she used the Docket No. W-01583A-**06-0437** and I believe Donald Gill's letter to the Commission used W-01583A-**05-0340**. With Guadalupe Ortiz's letter to Donald Gill she enclosed **Sample** sheet which I have labeled Attachment F, and a sheet labeled **INTERVENTION** which I call Attachment G. I believe most of the parties mentioned above by Donald Gill name in this paragraph also received similar letters from Guadalupe Ortiz with the **Sample** and **INTERVENTION** information sheets included. On the **INTERVENTION** sheet in the second line and in the next to bottom line it says "original and ten copies". Your October 4, 2006 letter to me says "original and thirteen copies" so you can see we are confused.

On the **INTERVENTION** sheet in the paragraph beneath #3 statement it says "Motions to intervene should be filed at least 5 days before the hearing." As far as I know, none of us has received a notice that there will be a hearing, or the date of any hearing. My second question is: What is the status of these five parties and what should they be doing to be sure they will be intervenors?

Yours truly,

John S. Gay

Doc 10-25-06

Arizona Corporation Commission

Docket Control

1200 West Washington
Phoenix, Arizona 85007

Attachment A

File
10-6-06 JSA

Date: October 4, 2006

All filings must meet the following criteria:

- a. Original document and 13 additional copies Plus two per additional docket number
- b. 1 copy of a completed cover sheet (to accompany the original.)
- c. The assigned docket number listed on the cover sheet AND on the first page of the original document.

Enclosed are the documents you submitted for filing with Docket Control of the Arizona Corporation Commission.

Your filing is being returned because it does not have:

- ☒ The required number of copies.
- ☐ A completed cover sheet.
- ☒ The correct/assigned docket number written on the document.
- ☐ In accordance with Arizona Revised Statutes §39-101 *et seq.*, all documents filed are a matter of public record. Therefore, Docket Control cannot accept a filing that contains confidential materials. You may contact our Legal or Hearing Divisions to discuss procedures for submission of confidential material. Hearing: [602] 542-4250
Legal: [602] 542-3402.
- ☒ Other: There are three (3) docket numbers involved in this case. Please resubmit an original and thirteen (13) copies of your filing with ALL the docket numbers on the original and EACH copy of your filing. For the correct and complete docket numbers, please refer to eDocket which is located on our website, www.cc.state.az.us

Thank you for your cooperation in this matter and we apologize for any inconvenience.

Docket Control (602) 542-3477

Nanisha Ross

Nanisha Ross, Docket Control Examiner (602)542-5506

Attachment B

**PUBLIC NOTICE
OF
AN APPLICATION FOR AN ORDER
AUTHORIZING THE INCURRENCE OF LONG-TERM DEBT
BY LAS QUINTAS SERENAS WATER COMPANY**

Las Quintas Serenas Water Company has filed an Application with the Arizona Corporation Commission for an order authorizing the Company to incur \$400,714.00 of long-term debt. The application is available for inspection during the regular business hours at the office of the Commission in Phoenix, Arizona, and the Company's offices in Green Valley, Arizona. The purpose of the proposed financing is to provide the Company with funds to construct additional capital improvements to its water system, which are a part of its long-term system reliability plan. The facilities will also be used in connection with the arsenic treatment facilities recently approved by the Commission.

Intervention in the Commission's proceedings on the application shall be permitted to any person entitled by law to intervene and having a direct substantial interest in this matter. Persons desiring to intervene must file a Motion to Intervene with the Commission which must be served upon the Company and which, at a minimum, shall contain the following information:

1. The name, address and telephone number of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding.
3. Whether the proposed intervenor desires a formal evidentiary hearing on the application and the reasons for such a hearing.
4. A statement certifying that a copy of the Motion to Intervene has been mailed to Applicant.

The granting of Motions to Intervene shall be governed by A.A.C. R14-3-105, except that all Motions to Intervene must be filed on, or before, the 15th day after publication of this notice.

Date of publication

Sept 13, 2006

+ 15

Sept 28, 06

Attachment C

**REVISED SECOND PUBLIC NOTICE
OF THE APPLICATION FOR
AUTHORITY TO INCUR LONG-TERM DEBT BY
LAS QUINTAS SERENAS WATER COMPANY
DOCKET NO. W-01583A-06-0437**

On June 30, 2006, Las Quintas Serenas Water Co. ("LQS") filed an application with the Arizona Corporation Commission ("Commission") for authority to borrow \$400,714. The proceeds of the loan will be used to install 400,000 gallons of additional storage and a back-up generator which are part of the company's long-term reliability plan. The facilities will also be used in connection with the arsenic treatment facilities recently approved by the Commission.

Copies of LQS' application are available at its office 75 W. Calle de las Tiendas, Suite 115-B, Green Valley, Arizona 85614, on the internet via the Commission website (www.azcc.gov) using the e-docket function, and at the Commission's offices for public inspection during regular business hours.

The law provides for intervention in the Commission's proceedings on the application by any person having a direct and substantial interest in the matter. Persons desiring to intervene must file a written motion to intervene with the Commission, which motion should be sent to LQS, or its counsel and to all parties of record, and which, at the minimum, shall contain the following:

1. The name, address and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g. a customer of LQS, a stockholder of LQS, etc.).
3. A statement certifying that a copy of the Motion to Intervene has been mailed to LQS or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A. C. R14-3-105, except that all motions to intervene must be filed on or before October 31, 2006. Any person may file written comments on the application, without seeking intervention, by mailing copies to the Commission and LQS. Requests to intervene and written comments should include the docket number W-01583A-06-0437.

If you have any substantive questions about this application you may contact LQS: Kaycee Conger; Administrative Manager, 75 W. Calle de las Tiendas, Suite 115-B, Green Valley, Arizona 85614, (520) 625-8040, LQSWater@aol.com.

If you wish to file written comments regarding the application, or want further information on intervention, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007, or call 1 (800) 222-7000.

1241 W. Calle De La Plaza
Sahuarita, Az. 85629
October 6, 2006
Phone (520) 625 - 3327

Docket Control
Arizona Corporation Commission
1200 West Washington,
Phoenix, Arizona 85007

Motion to Intervene in what may become W-01583A-06-0437

RE: Las Quintas Serenas Water Co.

DECISION NO. **68718**

DOCKET NO. W-01583A -04-0178, W-01583A-05-0326, and
W-01583A-05-0340

Dear Sirs:

As a water customer I received a NOTICE from Las Quintas Serenas Water Co. about a month ago saying that they had filed an Application with you to incur \$400,714 of long-term debt. On June 1, 2006 in DECISION 68718 on page 16 it says "IT IS FURTHER ORDERED that Las Quintas Serenas Water Company is authorized to borrow up to \$1,580,446 from Arizona Water infrastructure Finance Authority for a term of 20 years at the then prevailing interest rate." On page 7 in item 29 it states, "Based on the Smyth Steel analysis, LQS estimates that the Miller Brooks design would have a total cost of \$1,214,000." On page 5 in item 24 it states, "As its final position LQS proposes to construct the following capital improvements" On page 6 this total comes to \$1,884,060 using the Westland design and it states, "The Company's costs are based on the estimates provided by Smyth Steel, a southern Arizona based contractor." On page 16 it says, "IT IS FURTHER ORDERED that Las Quintas Serenas Water Company shall use its best efforts to keep the costs of its arsenic treatment plant as low as reasonably possible"

The above paragraph gives some of my reasons of interest as asked for in #2 of the PUBLIC NOTICE. I strongly believe from my engineering education and 40 years with LQS that the Miller Brooks design will give LQS a better, and more reliable system than the company's Westland design which is being pushed by the two Phelps Dodge Directors. I am the third Director, and President of the Board, and I am strongly opposed to their design.

September 13, 2006 Page 2

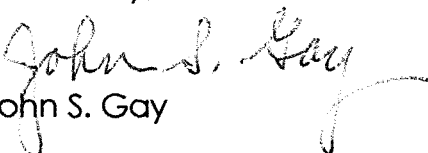
To 10-6-06 JSG
11-7-06

In #3 of the PUBLIC NOTICE I definitely desire a formal evidentiary hearing so I will be able to present facts and figures to back up my position. In DECISION NO. 68718 on page 9 under item 34 it states, Staff did not analyze the Miller Brooks proposal in depth and believed that it was not sufficiently detailed to allow Staff to formulate an opinion whether it would be an adequate solution to the problem. Staff evidently did not find table 2 and four pages of table 3 because there is in great detail lengths and sizes of all pipes with labor and material costs, etc. etc. The Miller Brooks system is so simple that Miller Brooks's engineers could easily detail each needed piece of pipe, etc., its cost, and the cost of labor to install it, and they did so. They also showed \$16,964.22 for Construction inspections and Redlines, and \$71,199.00 for Contingencies. The Westland system is so complicated that Westland's engineers would have had to run up an enormous bill if they had taken the time to list all supplies needed, labor, and costs, so they did not do so. In the Westland Design Report of Sept. 2005, which became Exhibit A-13, there is none of this type of information while the Miller Brooks design lists every cost.

There is a total of 255 shares of LQS stock. Our family owns 87 shares (34.1%) and Phelps Dodge owns 150 shares (58.8%). Two of the three Directors are appointed by Phelps Dodge, and it is my understanding that neither of these Directors owns any LQS stock, or lives in the LQS franchise area. If there is additional information you need for me to become an intervenor please advise.

When I mail this letter to you I will mail a copy to Las Quintas Serenas Water Company, P.O. Box 68, Sahuarita, Az. 85629.

Yours truly,


John S. Gay

9-13-06 DOC to 10-6-06

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG



BRIAN C. McNEIL
Executive Director

ARIZONA CORPORATION COMMISSION

September 27, 2006

A Hachment E

Donald K. Gill
1101 W. Calle Santiago
Sahuarita, AZ 85629

Dear Donald K. Gill,

This letter is to acknowledge your correspondence regarding a request of a Motion to Intervene for the Las Quintas Serenas Water Company, Docket No. W-01583A-06-0437 received by the Arizona Corporation Commission ("Commission"), Utilities Division.

Unfortunately, your request of Motion to Intervene reference's an inaccurate Docket No. that has previously been closed.

Enclosed you will find instruction's of how to intervene, there will also be a sample form of how to create your request to intervene. Please be sure to update your request with the correct Docket No..

Should you have any questions or concerns of the Intervention process please contact the Docket Control Center of the Arizona Corporation Commission at 602-542-3477 or 1-800-222-7000.

Sincerely,

A handwritten signature in cursive script that reads "Guadalupe Ortiz".

Guadalupe Ortiz
Consumer Service Analyst
Utilities Division
Arizona Corporation Commission
(602) 542-2406

Attachment F

January 2, 1996

Arizona Corporation Commission
Docket Control
1200 Washington Street
Phoenix, AZ 85007

RE: MOTION TO INTERVENE in the Application of ABC Water Corporation for increase in its Rates and Charges for utility service.

DOCKET No. T-01234-96-

My name, address and phone number are listed below.

I wish to intervene in the Application for increases in the Water Rates and Charges filed by ABC Water Corporation. I am a commercial/residential customer of the Utility and therefore have an interest in the ramifications of an additional increase in rates.

I hereby certify that a copy of this Notice of Intervention has been mailed to ABC Water Corporation, 123 Main Street, Anytown, AZ 85000.

Sincerely,

John Smith, D.D.S.
123 Division Street
Anytown, AZ 85000
Telephone (602) 123-1234

Cc: Arizona Corporation Commission (10)
ABC Water Corporation (1)

SAMPLE SAMPLE SAMPLE SAMPLE SAMPLE

INTERVENTION

Persons desiring to intervene must file a written Motion to Intervene with the Arizona Corporation Commission (original and ten copies), which Motion must also be served upon the Company or its counsel, and should, at the minimum, contain the following:

1. The name, address and telephone number of the proposed intervenor and of any party upon which service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in these proceedings (e.g., a customer of the Company, a shareholder of the Company. A competitor, etc.)
3. A statement certifying that a copy of the Motion to Intervene has been mailed to the Company or its counsel.

Motions to Intervene should be filed at least 5 days before the hearing. Failure to intervene will not preclude any customer from appearing at the hearing and making a statement on his own behalf.

NOTICE

Pursuant of rule R14-3-102: all formal documents and other papers filed with the Arizona Corporation Commission shall be limited in size to 8-1/2 X 11 inches.

There will be **NO EXCEPTIONS** to the rule! All others will be returned.

An original and ten (10) copies of all documents **MUST** be filed.
A complete and signed Docket Cover Sheet.